

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

04 - 012

2. STATE

Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

September 25, 2004

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR Part 435

7. FEDERAL BUDGET IMPACT

a. FFY 2005 \$ 76,500
b. FFY 2006 \$ 153,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 2.6A, Supplement 8a, pp. 1-2 of 2; Supplement 8b, p. 4 of 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same pages

10. SUBJECT OF AMENDMENT

Discontinue Resource Test and Counting of Earned Income for Family and Children's Groups

GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT²⁰⁰⁵
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME

Patrick W. Finnerty

14. TITLE

Director

15. DATE SUBMITTED

09/29/2004

16. RETURN TO

Dept. of Medical Assistance Services
600 East Broad Street, #1300
Richmond VA 23219

Attn: Regulation Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

10/04/04

18. DATE APPROVED

NOV 15 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

9/25/04

20. SIGNATURE OF REGIONAL OFFICIAL

Roseanne Egan for Nancy B. O'Connor

21. TYPED NAME

NANCY B. O'CONNOR

22. TITLE

ACTING REGIONAL ADMINISTRATOR

23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

OMB No.: 0938-

MORE LIBERAL INCOME DISREGARDS

A. For children covered under Section 1902(a)(10)(A)(i)(III) and 1905(n) of the *Social Security Act*, the Commonwealth of Virginia will disregard one dollar plus an amount equal to the difference between 100% of the AFDC payment standard for the same family size and 100% of the Federal Poverty Level for the same family size as updated annually in the Federal Register.

B. For ADC-related cases, both categorically and medically needy, any individual or family applying for or receiving assistance shall be granted an income exemption consistent with the *Act* (§§1902(a)(10)(A)(i)(III), (IV), (VI), (VII); §§1902(a)(10)(A)(ii)(VIII), (IX); §1902(a)(10)(C)(i)(III)). Any interest earned on one interest-bearing savings or investment account per assistance unit not to exceed \$5,000, if the applicant, applicants, recipient or recipients designate that the account is reserved for purposes related to self-sufficiency, shall be exempt when determining eligibility for medical assistance for so long as the funds and interest remain on deposit in the account. For purposes of this section, "purposes related to self-sufficiency" shall include, but are not limited to, (i) paying for tuition, books, and incidental expenses at any elementary, secondary, or vocational school, or any college or university; (ii) for making down payment on a primary residence; or (iii) for establishment of a commercial operation which is owned by a member of the Medicaid assistance unit.

C. For the group described in 1902(a)(10)(A)(i)(VII) and 1902(l)(1)(D), income in the amount of the difference between 100% and 133% of the Federal Poverty Level (as revised annually in the Federal Register) is disregarded.

D. For Aged, Blind and Disabled individuals, both Categorically Needy and Medically Needy, with the exception of the special income level group of institutionalized individuals, the Commonwealth of Virginia shall disregard the value of in-kind support and maintenance when determining eligibility. In-kind support and maintenance means food, clothing, or shelter or any combination of these provided to an individual.

E. For all Categorically Needy and Medically Needy children covered under the Family and Children covered groups, [§§1902(a)(10)(A)(i)(I), 1902(a)(10)(A)(i)(III), 1902(a)(10)(A)(i)(VI), 1902(a)(10)(A)(i)(VII), 1902(a)(10)(A)(ii)(VIII), 1902(a)(10)(C)(ii)(I) and 1905(n) of the *Act*], the Commonwealth will disregard all earned income of dependent children who are full time students or who are part-time students and not a full-time employee.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

OMB No.: 0938-

MORE LIBERAL INCOME DISREGARDS

F. For all Categorically Needy and Medically Needy individuals covered under the Family and Children covered groups [§§1902(a)(10)(A)(i)(I), 1902(a)(10)(A)(i)(III), 1902(a)(10)(A)(i)(IV), 1902(a)(10)(A)(i)(V), 1902(a)(10)(A)(i)(VI), 1902(a)(10)(A)(i)(VII), 1902(a)(10)(A)(ii)(VIII), 1902(a)(10)(C)(ii)(I) and 1905(n) of the *Act*], the Commonwealth will disregard the fair market value of all in-kind support and maintenance as income in determining financial eligibility. In-kind support and maintenance means food, clothing or shelter or any combination of these provided to an individual.

TN No. 04-15
Supersedes
TN No. 03-14

Approval Date NOV 15 2004

Effective Date 09-25-04

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

OMB No.: 0938-

**MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER § 1902 (R) (2) OF THE ACT**

- F. Resource Exemption for Aid to Dependent Children-related categorically and medically Needy (described in §§1902(a)(10)(A)(i)(III), (IV), (VI), (VII); §§1902(a)(10)(A)(ii)(VIII), (IX); §1902(a)(10)(C)(i)(III) of the *Social Security Act*): Any individual or family applying for or receiving assistance may have or establish one interest-bearing savings account per assistance unit not to exceed \$5,000 at a financial institution if the applicant, applicants, recipient or recipients designate that the account is reserved for one of the following purposes: (i) paying for tuition, books, and incidental expenses at any elementary, secondary or vocational school or any college or university; (ii) making down payment on a primary residence; or (iii) business incubation. Any funds deposited in the account shall be exempt when determining eligibility for medical assistance for so long as the funds and interest remain on deposit in the account. Any amounts withdrawn and used for any of the purposes stated in this section shall be exempt. For purposes of this section, "business incubation" shall mean the initial establishment of a commercial operation which is owned by a member of the Medicaid assistance unit. The net worth of any business owned by a member of the assistance unit shall be exempt from consideration so long as the net worth of the business is less than \$5,000.
- G. The Commonwealth of Virginia will disregard all resources for qualified children covered under Sections 1902(a)(10)(A)(i)(I), 1902(a)(10)(A)(i)(III), 1902(a)(10)(A)(ii)(VIII) and 1905(n) of the *Social Security Act*.
- H. Household goods and personal effects. The Commonwealth of Virginia will disregard the value of household goods and personal effects. Household goods are items of personal property customarily found in the home and used in connection with the maintenance, use, and occupancy of the premises as a home. Examples of household goods are furniture, appliances, televisions, carpets, cooking and eating utensils, and dishes. Personal effects are items of personal property that are worn or carried by an individual or that have an intimate relation to the individual. Examples of personal property include clothing, jewelry, personal care items, prosthetic devices, and educational or recreational items such as books, musical instruments, or hobby materials.
- I. Determining eligibility based on resources. When determining Medicaid eligibility, an individual shall be eligible in a month if his countable resources were at or below the resource standard on any day of such month.

TN No. 04-15
Supersedes
TN No. 03-14

Approval Date NOV 15 2004

Effective Date 09-25-04

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

A. The State covers low-income families and children under Section 1931 of the Act.

The following groups were included in the AFDC State Plan effective July 16, 1996:

_____ Pregnant women with no other eligible children.

 X AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

B. _____ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, without modification, for individuals who do not receive TANF benefits.

C. X In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

_____ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988m as follows:

 X The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

The agency increases the July 16, 1996, income standards shown on page 1 of Supplement 1 (12 VAC 30-40-220) by the annual increase in the CPI beginning July 1, 2001. However, for the Fiscal Year 2004, the income limit shall not be increased by the Consumer Price Index and shall remain at the Fiscal Year 2003 level. After June 30, 2004, the income standards shall revert back to the previous methodology in effect immediately prior to July 1, 2003.

_____ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the

TN No. 04-15
Supersedes
TN No. 03-01

Approval Date NOV 15 2004

Effective Date 09/25/04

HCFA ID: 4093E/0002P

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

percentage increases in the CPI-U since July 16, 1996, as follows:

 X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

The agency does not consider resources in determining eligibility.

The resource methodologies that the less restrictive methodologies replace are as follows:

Resources. The family resource limit was \$1,000. Additionally, any applicant or recipient may have or establish one savings or investment account not to exceed \$5,000 if the applicant or recipient designates that the account is reserved for purposes related to self-sufficiency. Any funds deposited in the account and any interest earned on or appreciation in the value of the funds shall be exempt when determining eligibility for so long as the funds and interest on or appreciation in value of remain in the account. Any amounts withdrawn and used for purposes related to self-sufficiency shall be exempt. For purposes of this section, "purposes related to self-sufficiency" shall include, but are not limited to paying for tuition, books and incidental expenses at any elementary, secondary or vocational school or any college or university; or for making down payment on a primary residence; or for establishment of a commercial operation which is owned by a member of the Medicaid assistance unit.

Income. The agency disregards all earned income of a child under the age of nineteen who is a student. The agency disregards the fair market value of all in-kind support and maintenance as income in determining financial eligibility for the above referenced group. Any interest or appreciation earned on one interest-bearing savings account per medical assistance unit not to exceed \$5,000 at a financial institution, if the applicant, applicants,

TN No. 04-15
Supersedes
TN No. 03-01

Approval Date NOV 15 2004

Effective Date 09/25/04

HCFA ID: 4093E/0002P

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

recipient or recipients designate that the account is reserved for the purpose of paying for tuition, books, and incidental expenses at any elementary, secondary or vocational school or any college or university, or for making down payment on a primary residence or for business incubation, shall be exempt when determining eligibility for medical assistance for so long as the funds and interest remain on deposit in the account. For purposes of this section, "business incubation" means the initial establishment of a commercial operation owned by a member of the Medicaid assistance unit.

The income methodologies that the less restrictive methodologies replace are as follows:

Income earned by a child under the age of nineteen who is a student was counted in determining eligibility in accordance with the AFDC income methodologies that were in effect as of July 16, 1996.

The fair market value of in-kind support and maintenance is counted as income when evaluating the financial eligibility of the above referenced group. In-kind support and maintenance means food, clothing or shelter or any combination of these provided to an individual.

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

 X _____ The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996, and approved by the Secretary on or before July 1, 1997.

For individuals who receive TANF benefits and meet the requirements of Virginia's § 1115 waiver for the Virginia Independence Program (VIP), the agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to

TN No. 04-15
Supersedes
TN No. 03-01

Approval Date NOV 15 2004

Effective Date 09/25/04
HCFA ID: 4093E/0002P

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

August 22, 1996, and approved by the Secretary on or before July 1, 1997.

The waiver contains the following more liberal income disregards:

Earned income will be disregarded so long as the earnings plus the AFDC benefits are equal to or less than 100% of the Federal Income Poverty Guidelines. For any month in which earnings plus the AFDC standard of payment for the family size exceed the Federal Poverty Income Guidelines for a family of the same size, earned income above 100% of the Federal Poverty Income Guidelines shall be counted.

These waivers will apply only to TANF cash assistance recipients. These waivers will be continued only for so long as eligibility for TANF cash assistance is established in the same manner as eligibility for TANF was established under the welfare reform demonstration project for which these waivers were originally approved.

TN No. 04-15
Supersedes
TN No. 03-01

Approval Date **NOV 15 2004**

Effective Date 09/25/04

HCFA ID: 4093E/0002P